

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 03-1216-1238

ELECTIONS: UNIT AY-118  
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on March 29, 2004 which was recorded at Deed Book 605, Page 646 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on April 2, 2004, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit AY-118;


Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.


DONE AND EXECUTED this 8<sup>th</sup> day of March, 2005, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA

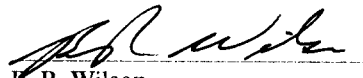
COUNTY OF ~~WISE~~ Washington

Acknowledged on this 8<sup>th</sup> day of March, 2005, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary

My commission expires: 9/30/05.

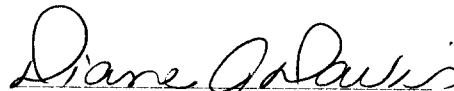
DONE AND PERFORMED THIS 11<sup>th</sup> day of March, 2005, by Order of the Board.

  
B. R. Wilson,  
Principal Executive to the Board

STATE OF VIRGINIA

COUNTY OF WASHINGTON

Acknowledged on this 11<sup>th</sup> day of March, 2005, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary

My commission expires: 9/30/05.

Order Recorded Under Code of  
Virginia Section 45.1-361.26

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit AY-118  
VGOB 03-1216-1238 in the New Garden District of Russell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS,  
ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager - Environmental / Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on March 29, 2004, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on April 2, 2004;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of March 29, 2004;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow and/ or they are no longer an owner, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 21<sup>st</sup> day of February, 2005.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as a Manager - Environmental / Permitting for CNX Gas Company LLC, on behalf of the corporate Designated Operator, this 21<sup>st</sup> day of February, 2005.

  
Notary

My commission expires: 10/31/05.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED  
BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

BOOK 663 PAGE 657

BOOK 627 PAGE 291

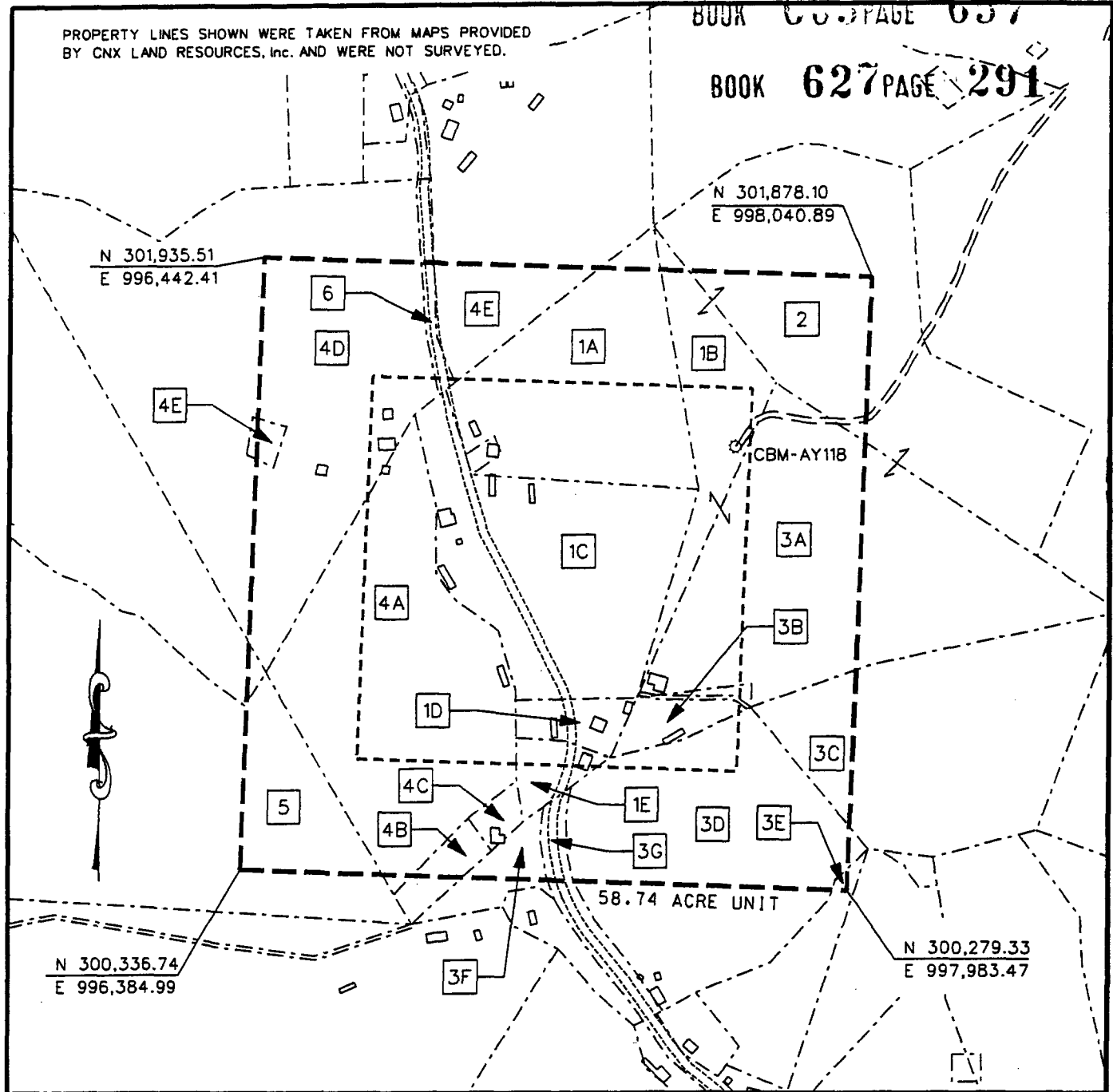
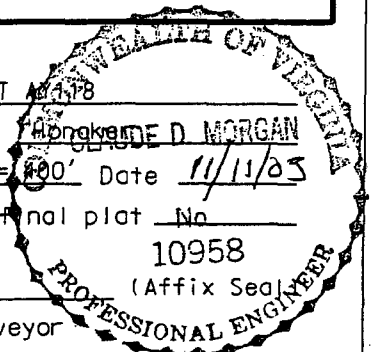


EXHIBIT A  
MIDDLE RIDGE 1 FIELD  
UNIT AY-118  
FORCE POOLING  
VGOB-03-1216-1238

Company CNX Gas Company LLC Well Name and Number UNIT AY-118  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle 140400  
County Russell District New Garden Scale: 1" = 100' Date 11/11/03  
This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat No \_\_\_\_\_

Form DGO-GO-7  
Rev. 9/91

*Charles D. Morgan*  
Licensed Professional Engineer or Licensed Land Surveyor



**CNX Gas Company LLC****Unit AY-118****Tract Identifications****(58.74 Acre Unit)**

1. Swords Creek Land Partnership Tr. 3 – All Minerals  
Reserve Coal Properties Company – Coal In and Below Tiller Seam Leased  
Knox Creek Coal Corporation – Coal Above Drainage Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
17.73 acres                      30.1839%
  
- 1A. Unknown Surface Owner
- 1B. Sylvia Price, et al – Surface
- 1C. Charles Bascom Price - Surface
- 1D. Unknown Surface Owner
- 1E. Unknown Surface Owner
  
2. Swords Creek Land Partnership Tr. 19 – All Minerals  
Reserve Coal Properties Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Sylvia Price, et al - Surface  
2.74 acres                      4.6646%
  
- 3A. Swords Creek Land Partnership Tr. 55 – Coal  
Consolidation Coal Company - Below Tiller Coal Leased  
Knox Creek Coal Corporation - Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Dorice Cacy Brown – All Minerals except Coal  
Sylvia Irene Price - Surface  
6.96 acres                      11.8488%
  
- 3B. Swords Creek Land Partnership Tr. 55 – Coal  
Consolidation Coal Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Joyce Price Monk – Surface and All Minerals except Coal  
0.86 acres                      1.4641%
  
- 3C. Swords Creek Land Partnership Tr. 55 - Coal  
Consolidation Coal Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Nellie Corns – Surface and All Minerals except Coal  
1.26 acres                      2.1450%

**CNX Gas Company LLC****Unit AY-118****Tract Identifications  
(58.74 Acre Unit)**

- 3D. Swords Creek Land Partnership Tr. 55 – Coal  
Consolidation Coal Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Sallie Irene Breedlove – Surface and All Minerals except Coal  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
5.83 acres 9.9251%
- 3E. Swords Creek Land Partnership Tr. 55 – Coal  
Consolidation Coal Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Randy L. Dye, et ux – Surface and All Minerals except Coal  
0.03 acres 0.0511%
- 3F. Swords Creek Land Partnership Tr. 55 – Coal  
Consolidation Coal Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Shirley Ann Meadows Grizzle – Surface and All Minerals except Coal  
0.47 acres 0.8001%
- 3G. Swords Creek Land Partnership Tr. 55 – Coal  
Consolidation Coal Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Commonwealth of Virginia – Surface and All Minerals except Coal  
0.32 acres 0.5448%
4. Swords Creek Land Partnership Tr. 18 – All Minerals  
Consolidation Coal Company – Below Tiller Coal Leased  
Knox Creek Coal Corporation – Tiller and Above Coal Leased  
CNX Gas Company LLC – CBM Leased  
19.70 acres 33.5377%
- 4A. Rafty Dye – Surface  
4B. Unknown Surface Owner  
4C. Unknown Surface Owner  
4D. Rafty Dye – Surface Owner  
4E. Unknown Surface Owner (Cemetery)

**CNX Gas Company LLC**

Unit AY-118

### Tract Identifications

**(58.74 Acre Unit)**

- |      |   |
|------|---|
| 5.   | <b>Buckhorn Coal Mining Tr. 7 – Fee</b>   |
|      | <b>Consolidation Coal Company – Below Drainage Coal Leased</b>                      |
|      | <b>Knox Creek Coal Corporation – Above Drainage Coal Leased Except Kennedy Seam</b> |
|      | <b>H.C. Bostic Coal Company – Kennedy Seam Leased</b>                               |
|      | <b>CNX Gas Company LLC – CBM Leased</b>   |
|      | <b>2.58 acres                          4.3922%</b>                                  |
| <br> |   |
| 6.   | <b>Commonwealth of Virginia – Fee</b>   |
|      | <b>0.26 acres                          0.4426%</b>                                  |



Exhibit B-3  
Unit AY-118  
Docket #VGOB 03-1216-1238  
List of Unleased Owners/Claimants  
(58.74 Acre Unit)

BOOK 627 PAGE 295

	Acres in Unit	Interest in Unit
<b>I. COAL FEE OWNERSHIP</b>		
<b><u>Tract #6, 0.26 acres</u></b>		
(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.26 acres	0.4426%
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>		
<b><u>Tract #3B, 0.86 acres</u></b>		
(1) Joyce Price Monk P.O. Box 247 Swords Creek, VA 24649	0.86 acres	1.4641%
<b><u>Tract #3C, 1.26 acres</u></b>		
(1) Nellie Corns c/o Truel Corns Rt.2 Box 287 Cedar Bluff, VA 24609	1.26 acres	2.1450%
<b><u>Tract #3E, 0.03 acres</u></b>		
(1) Randy L. Dye, et ux. RR1 Box 236 Swords Creek, VA 24649	0.03 acres	0.0511%
<b><u>Tract #3F, 0.47 acres</u></b>		
(1) Shirley Ann Meadows Grizzle P.O. Box 382 Swords Creek, VA 24649	0.47 acres	0.8001%
<b><u>Tract #3G, 0.32 acres</u></b>		
(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.32 acres	0.5448%
<b><u>Tract #6, 0.26 acres</u></b>		
(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.26 acres	0.4426%

Exhibit E  
Unit AY-118  
Docket #VGOB 03-1216-1238  
List of Conflicting Owners/Claimants that require escrow  
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<b><u>Tract #3B, 0.86 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.55 P.O. Box 29 Tazewell, VA 24651	0.86 acres	1.4641%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Joyce Price Monk P.O. Box 247 Swords Creek, VA 24649	0.86 acres	1.4641%
<b><u>Tract #3C, 1.26 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.55 P.O. Box 29 Tazewell, VA 24651	1.26 acres	2.1450%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Nellie Corns c/o Truel Corns Rt.2 Box 287 Cedar Bluff, VA 24609	1.26 acres	2.1450%
<b><u>Tract #3F, 0.47 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.55 P.O. Box 29 Tazewell, VA 24651	0.47 acres	0.8001%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Shirley Ann Meadows Grizzle P.O. Box 382 Swords Creek, VA 24649	0.47 acres	0.8001%
<b><u>Tract #3G, 0.32 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.55 P.O. Box 29 Tazewell, VA 24651	0.32 acres	0.5448%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.32 acres	0.5448%

Exhibit EE  
Unit AY-118  
Docket #VGOB 03-1216-1238  
List of Conflicting Owners/Claimants with Royalty Split Agreements  
(58.74 Acre Unit)

BOOK 627 PAGE 297

	Acres in Unit	Interest in Unit
<u>Tract #3A, 6.96 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.55 P.O. Box 29 Tazewell, VA 24651	6.96 acres	11.8488%
<u>OIL &amp; GAS FEE OWNERSHIP</u>		
(1) Dorcie Cacy Brown Osborne P.O. Box 296 Cedar Bluff, VA 24609	6.96 acres	11.8488%
<u>Tract #3D, 5.83 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.55 P.O. Box 29 Tazewell, VA 24651	5.83 acres	9.9251%
<u>OIL &amp; GAS FEE OWNERSHIP</u>		
(1) Sallie Irene Breedlove P.O. Box 136 Swords Creek, VA 24649	5.83 acres	9.9251%
<u>Tract #3E, 0.03 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.55 P.O. Box 29 Tazewell, VA 24651	0.03 acres	0.0511%
<u>OIL &amp; GAS FEE OWNERSHIP</u>		
(1) Randy L. Dye, et ux. RR1 Box 236 Swords Creek, VA 24649	0.03 acres	0.0511%

0500827

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 3-14, 2005. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:37 o'clock PM, after payment of \$ - tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: DOLLIE M. COMPTON, CLERK  
BY: Mrs. McReynolds D. CLERK